

## 243.205

may not be paid unless the contract certifies the request in accordance with the clause at 252.243-7002.

(b) To determine if the dollar threshold for requiring certification is met, add together the absolute value of each cost increase and each cost decrease. See PGI 243.204-70(b) for an example.

(c) The certification required by 10 U.S.C. 2410(a), as implemented in the clause at 252.243-7002, is different from the certification required by the Contract Disputes Act of 1978 (41 U.S.C. 7103). If the contractor has certified a request for equitable adjustment in accordance with 10 U.S.C. 2410(a), and desires to convert the request to a claim under the Contract Disputes Act, the contractor shall certify the claim in accordance with FAR Subpart 33.2.

[62 FR 37147, July 11, 1997, as amended at 63 FR 11541, Mar. 9, 1998; 70 FR 67922, Nov. 9, 2005; 76 FR 58137, Sept. 20, 2011]

## 243.205 Contract clauses.

### 243.205-70 Pricing of contract modifications.

Use the clause at 252.243-7001, Pricing of Contract Modifications, in solicitations and contracts when anticipating and using a fixed price type contract.

[56 FR 36446, July 31, 1991. Redesignated at 66 FR 49865, Oct. 1, 2001]

### 243.205-71 Requests for equitable adjustment.

Use the clause at 252.243-7002, Requests for Equitable Adjustment, in solicitations and contracts estimated to exceed the simplified acquisition threshold.

[63 FR 17124, Apr. 8, 1998. Redesignated at 66 FR 49865, Oct. 1, 2001]

### 243.205-72 Unpriced change orders.

See the clause prescriptions at 217.7406 for all unpriced change orders with an estimated value exceeding \$5 million.

[75 FR 48278, Aug. 10, 2010]

## PART 244—SUBCONTRACTING POLICIES AND PROCEDURES

### SUBPART 244.1—GENERAL

244.101 Definitions

## 48 CFR Ch. 2 (10-1-11 Edition)

### Subpart 244.2—Consent to Subcontracts

Sec.

244.202 Contracting officer's evaluation.

244.202-2 Considerations.

### Subpart 244.3—Contractors' Purchasing Systems Reviews

244.301 Objective.

244.303 Extent of review.

244.305 Granting, withholding, or withdrawing approval.

244.305-70 Policy.

244.305-71 Contract clause.

### Subpart 244.4—Subcontracts for Commercial Items and Commercial Components

244.402 Policy requirements.

244.403 Contract clause.

AUTHORITY: 41 U.S.C. 421 and 48 CFR chapter 1.

SOURCE: 56 FR 36447, July 31, 1991, unless otherwise noted.

## SUBPART 244.1—GENERAL

### 244.101 Definitions.

As used in this subpart—

*Acceptable purchasing system* and *purchasing system* are defined in the clause at 252.244-7001, Contractor Purchasing System Administration.

*Significant deficiency* is defined in the clause at 252.244-7001, Contractor Purchasing System Administration.

[76 FR 28871, May 18, 2011]

### Subpart 244.2—Consent to Subcontracts

#### 244.202 Contracting officer's evaluation.

##### 244.202-2 Considerations.

(a) Where other than lowest price is the basis for subcontractor selection, has the contractor adequately substantiated the selection as offering the greatest value to the Government?

[60 FR 29501, June 5, 1995]

### Subpart 244.3—Contractors' Purchasing Systems Reviews

#### 244.301 Objective.

The administrative contracting officer (ACO) is solely responsible for initiating reviews of the contractor's purchasing systems, but other organizations may request that the ACO initiate such reviews.

[70 FR 67922, Nov. 9, 2005]

#### 244.303 Extent of review.

Also review the adequacy of rationale documenting commercial item determinations to ensure compliance with the definition of "commercial item" in FAR 2.101.

[67 FR 38023, May 31, 2002]

#### 244.305 Granting, withholding, or withdrawing approval.

#### 244.305-70 Policy.

Use this subsection instead of FAR 44.305-2(c) and 44.305-3(b).

(a) The cognizant contracting officer, in consultation with the purchasing system analyst or auditor, shall—

- (1) Determine the acceptability of the contractor's purchasing system and approve or disapprove the system; and
- (2) Pursue correction of any deficiencies.

(b) In evaluating the acceptability of the contractor's purchasing system, the contracting officer, in consultation with the purchasing system analyst or auditor, shall determine whether the contractor's purchasing system complies with the system criteria for an acceptable purchasing system as prescribed in the clause at 252.244-7001, Contractor Purchasing System Administration.

(c) *Disposition of findings*—(1) *Reporting of findings*. The purchasing system analyst or auditor shall document findings and recommendations in a report to the contracting officer. If the auditor or purchasing system analyst identifies any significant purchasing system deficiencies, the report shall describe the deficiencies in sufficient detail to allow the contracting officer to understand the deficiencies.

(2) *Initial determination*. (i) The contracting officer shall review all find-

ings and recommendations and, if there are no significant deficiencies, shall promptly notify the contractor that the contractor's purchasing system is acceptable and approved; or

(ii) If the contracting officer finds that there are one or more significant deficiencies (as defined in the clause at 252.244-7001, Contractor Purchasing System Administration) due to the contractor's failure to meet one or more of the purchasing system criteria in the clause at 252.244-7001, the contracting officer shall—

(A) Promptly make an initial written determination on any significant deficiencies and notify the contractor, in writing, providing a description of each significant deficiency in sufficient detail to allow the contractor to understand the deficiency;

(B) Request the contractor to respond, in writing, to the initial determination within 30 days; and

(C) Evaluate the contractor's response to the initial determination in consultation with the auditor or purchasing system analyst, and make a final determination.

(3) *Final determination*. (i) The contracting officer shall make a final determination and notify the contractor, in writing, that—

(A) The contractor's purchasing system is acceptable and approved, and no significant deficiencies remain, or

(B) Significant deficiencies remain. The notice shall identify any remaining significant deficiencies, and indicate the adequacy of any proposed or completed corrective action. The contracting officer shall—

(1) Request that the contractor, within 45 days of receipt of the final determination, either correct the deficiencies or submit an acceptable corrective action plan showing milestones and actions to eliminate the deficiencies;

(2) Disapprove the system in accordance with the clause at 252.244-7001, Contractor Purchasing System Administration; and

(3) Withhold payments in accordance with the clause at 252.242-7005, Contractor Business Systems, if the clause is included in the contract.

(ii) Follow the procedures relating to monitoring a contractor's corrective

## 244.305-71

action and the correction of significant deficiencies in PGI 244.305-70.

(d) *System approval.* The contracting officer shall promptly approve a previously disapproved purchasing system and notify the contractor when the contracting officer determines that there are no remaining significant deficiencies.

(e) *Contracting officer notifications.* The cognizant contracting officer shall promptly distribute copies of a determination to approve a system, disapprove a system and withhold payments, or approve a previously disapproved system and release withheld payments to the auditor; payment office; affected contracting officers at the buying activities; and cognizant contracting officers in contract administration activities.

(f) *Mitigating the risk of purchasing system deficiencies on specific proposals.*

(1) Source selection evaluation teams shall discuss identified purchasing system deficiencies and their impact in all reports on contractor proposals until the deficiencies are resolved.

(2) The contracting officer responsible for negotiation of a proposal generated by a purchasing system with an identified deficiency shall evaluate whether the deficiency impacts the negotiations. If it does not, the contracting officer should proceed with negotiations. If it does, the contracting officer should consider other alternatives, *e.g.*—

(i) Allowing the contractor additional time to correct the purchasing system deficiency and submit a corrected proposal;

(ii) Considering another type of contract, *e.g.*, a fixed-price incentive (firm target) contract instead of firm-fixed-price;

(iii) Using additional cost analysis techniques to determine the reasonableness of the cost elements affected by the purchasing system's deficiency;

(iv) Segregating the questionable areas as a cost-reimbursable line item;

(v) Reducing the negotiation objective for profit or fee; or

(vi) Including a contract (reopener) clause that provides for adjustment of the contract amount after award.

(3) The contracting officer who incorporates a reopener clause into the con-

## 48 CFR Ch. 2 (10-1-11 Edition)

tract is responsible for negotiating price adjustments required by the clause. Any reopener clause necessitated by a purchasing system deficiency should—

(i) Clearly identify the amounts and items that are in question at the time of negotiation;

(ii) Indicate a specific time or subsequent event by which the contractor will submit a supplemental proposal, including cost or pricing data, identifying the cost impact adjustment necessitated by the deficient purchasing system;

(iii) Provide for the contracting officer to adjust the contract price unilaterally if the contractor fails to submit the supplemental proposal; and

(iv) Provide that failure of the Government and the contractor to agree to the price adjustment shall be a dispute under the Disputes clause.

[76 FR 28871, May 18, 2011]

### 244.305-71 Contract clause.

Use the clause at 252.244-7001, Contractor Purchasing System Administration, in solicitations and contracts containing the clause at FAR 52.244-2, Subcontracts.

[76 FR 28871, May 18, 2011]

## Subpart 244.4—Subcontracts for Commercial Items and Commercial Components

### 244.402 Policy requirements.

(a) Contractors shall determine whether a particular subcontract item meets the definition of a commercial item. This requirement does not affect the contracting officer's responsibilities or determinations made under FAR 15.403-1(c)(3). Contractors are expected to exercise reasonable business judgment in making such determinations, consistent with the guidelines for conducting market research in FAR part 10.

[67 FR 38023, May 31, 2002]

### 244.403 Contract clause.

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## Defense Acquisition Regulations System, DOD

## 245.102

(1) 252.225-7009, Restriction on Acquisition of Certain Articles Containing Specialty Metals.

[74 FR 52896, Oct. 15, 2009]

### PART 245—GOVERNMENT PROPERTY

#### Subpart 245.1—General

Sec.

245.101 Definitions.

245.102 Policy.

245.103 General.

245.105 Contractor's property management system compliance.

245.107 Contract clause.

#### Subpart 245.2—Solicitation and Evaluation Procedures

245.201 Solicitation.

245.201-70 Definitions.

245.201-71 GFP attachments to solicitations and awards.

245.201-72 Contracting office responsibilities.

245.201-73 Security classification.

#### Subpart 245.3—Authorizing the Use and Rental of Government Property

245.302 Contracts with foreign governments or international organizations.

#### Subpart 245.4—Title to Government Property

245.402 Title to contractor-acquired property.

245.402-70 Policy.

245.402-71 Delivery of contractor-acquired property.

#### Subpart 245.5—Support Government Property Administration

245.570 Storage at the Government's expense.

#### Subpart 245.6—Reporting, Reutilization, and Disposal

245.602 Reutilization of Government property.

245.602-1 Inventory disposal schedules.

245.602-3 Screening.

245.602-70 Plant clearance procedures.

245.604 Disposal of surplus property.

245.604-3 Sale of surplus property.

#### Subpart 245.70—Plant Clearance Forms

245.7101 Forms.

245.7001 Forms.

245.7001-1 Standard Form 97, Certificate of Release of a Motor Vehicle (Agency Record Copy).

245.7001-2 DD Form 1149, Requisition and Invoice Shipping Document.

245.7001-3 DD Form 1348-1, DoD Single Line Item Release/Receipt Document.

245.7001-4 DD Form 1640, Request for Plant Clearance.

245.7001-5 DD Form 1641, Disposal Determination/Approval.

245.7001-6 Defense Logistics Agency Form 1822, End Use Certificate.

AUTHORITY: 41 U.S.C. 421 and 48 CFR chapter 1.

SOURCE: 56 FR 36448, July 31, 1991, unless otherwise noted.

#### Subpart 245.1—General

SOURCE: 74 FR 37647, July 29, 2009, unless otherwise noted.

##### 245.101 Definitions.

*Mapping, charting, and geodesy property*, as used in this subpart, is defined in the clause at 252.245-7000, Government-Furnished Mapping, Charting, and Geodesy Property.

##### 245.102 Policy.

(See the policy guidance at PGI 245.102-70.)

(1) *Mapping, charting, and geodesy property*. All Government-furnished mapping, charting, and geodesy (MC&G) property is under the control of the Director, National Geospatial Intelligence Agency.

(i) MC&G property shall not be duplicated, copied, or otherwise reproduced for purposes other than those necessary for contract performance.

(ii) Upon completion of contract performance, the contracting officer shall—

(A) Contact the Director, National Geospatial Intelligence Agency, 4600 Sangamore Road, Bethesda, MD 20816-5003, for disposition instructions;

(B) Direct the contractor to destroy or return all Government-furnished MC&G property not consumed during contract performance; and

(C) Specify the destination and means of shipment for property to be returned to the Government.

(2) *Government supply sources*. When a contractor will be responsible for preparing requisitioning documentation to